EXHIBIT 2

IRREVOCABLE STANDBY LETTER OF CREDIT NO. NYSB2008660

Lloyds TSB Bank plc 1251 Avenue of The Americas 39th Floor

New York, N.Y. 10020 Telephone: (212) 930-5000 Facsimile: (212) 930-5099

SWIFT: LOYDUS33NYB

AUGUST 14, 2008

To:

Southern California Gas Company

555 W. Fifth Street Mail Code: GT10E3 Los Angeles, CA 90013

Applicant: Lehman Brothers Holdings, Inc (on behalf of Eagle Energy Partners I, L.P)

745 Seventh Avenue New York, NY 10019

Re:

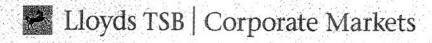
Our Irrevocable Standby Letter of Credit No. NYSB2008660

In the Amount of US \$10,000,000.00

Gentlemen:

We hereby open our irrevocable standby Letter of Credit Number NYSB2008660 in favor of Southern California Gas Company ("Secured Party"), by order of Lehman Brothers Holdings Inc. for the account of Eagle Energy Partners I, L.P., ("Account Party"), available at sight upon demand at our counters, at 1251 Avenue of the Americas, 39th Floor, New York, NY 10020, Attn: Letter of Credit Department, for an amount of US\$10,000,000.00 (Ten Million and 00/100 United States Dollars) against presentation of one of the following documents:

Statement signed by a person purporting to be an authorized representative of Secured Party stating that: "Eagle Energy Partners I, L.P. is in default under The Base Contract for Sale and Purchase of Natural Gas (NAESB) between Southern California Gas Company ("Secured Party") and Eagle Energy Partners I, L.P. dated September 1, 2007 or the Master Hub Services Agreement dated July 1, 2007 or under the Master Core Secondary Market Service Agreement between Secured Party and Eagle Energy Partners I, L.P. or Master Services Contract or any other agreement now or hereinafter entered into to by Secured Party and Eagle Energy Partners I, L.P. or under any transaction contemplated thereby (whether by failure to perform or pay any obligation thereunder or by occurrence of a "default", "event of default" or similar term as defined in such agreement, any other agreement between Secured Party and Eagle Energy Partners I, L.P., or otherwise). The amount due to Secured Party is US \$____ and Secured Party is demanding payment of the foregoing amount under Lloyds TSB Bank plc, New York, Letter of Credit number NYSB2008660 dated August 14, 2008."



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Statement, signed by a person purporting to be an authorized representative of Secured Party stating that: "as of the close of business on _____[insert date], which is less than 60 days prior to the expiration date of the Letter of Credit hereinafter described Lloyds TSB Bank plc, New York has provided written notice to us indicating its election not to permit extension of said Letter of Credit beyond its current expiry date. The amount owing to Secured Party, whether or not a default has occurred, is U.S. \$_____ and Secured Party is demanding payment of the foregoing amount under Lloyds TSB Bank plc, New York, Letter of Credit number NYSB2008660 dated August 14, 2008."

Special Conditions:

- All costs and banking charges pertaining to this Letter of Credit are for the account of Account Party.
- Partial and multiple drawings are permitted.

This Letter of Credit expires on August 14, 2009, at our close of business at our address set forth below.

All documents to be presented to us under this Letter of Credit shall be presented to us at our offices located at 1251 Avenue of the Americas, 39th Floor, New York, NY 10020, Attention: Letter of Credit Department, We hereby engage with Secured Party that upon presentation of a document as specified under and in compliance with the terms of this Letter of Credit, this Letter of Credit will be duly honored in the amount stated in Document 1 or 2 above. If a document is so presented by 11:00 am on any New York banking day, we will honor the same in full in immediately available New York funds on that day and, if so presented after 11:00 am on a New York banking day, we will honor the same in full in immediately available New York funds by noon on the following New York banking day. "Banking day" is a day on which we are open for business at our address set forth above.



Lloyds TSB | Corporate Markets

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It is a condition of this Letter of Credit that it shall be deemed automatically extended without an amendment for a one year period beginning on the present expiry date hereof and upon each anniversary of such date, unless at least ninety (90) days prior to any such expiry date we have sent you written notice by regular and registered mail or courier service that we elect not to permit this Letter of Credit to be so extended beyond, and that this Letter of Credit will expire on, its then current expiry date. No presentation made under this Letter of Credit after our close of business on such expiry date will be honored, as such expiry date may be extended as hereinafter provided.

We agree that if this Letter of Credit would otherwise expire during an interruption of our business caused by an act of god, riot, civil commotion, insurrection, act of terrorism, war or any other cause beyond our control or by any strike or lockout, then this Letter of Credit shall expire on the 30th day following the day on which we resume our business after the cause of such interruption has been removed or eliminated and any drawing on this Letter of Credit which could properly have been made but for such interruption shall be permitted during such extended period.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce, Publication No. 600 ("UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. Matters not covered by the UCP shall be governed and construed in accordance with the laws of the State of California.

For Lloyds TSB Bank ple

Authorized Signature

Elaine B. Kallenbach Associate Director Pinancial Institutions, USA K027 Authorized Signature

Matthew S.R. Tuck
Director
Financial Institutions, USA
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